

25 September 1987

MEMORANDUM FOR THE RECORD

SUBJECT: PRG Meeting on Panama, 23 September 1987

1. The meeting started off with an intelligence briefing provided by the DDI. Major points were that after four months of conflict between the Civil Crusade and Noriega, the officer corp and ruling coalition remain firmly behind Noriega. There is evidence that Noriega believes the momentum of the Crusades is waning and the regime apparently will not make concessions to the Crusade. Nevertheless, strains in the regime have increased and the economy is under severe pressure because of outgoing capital. The bottom line was that we believe Noriega is even less inclined now than ever to step down under pressure before the 1989 elections.

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4. CIA was asked to provide a more detailed assessment of the economy with particular emphasis on the money flows out of the country.

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Richard J. Kerr
Deputy Director for Intelligence

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